



DAVID CUTLER REAL ESTATE

MASSACHUSETTS REAL ESTATE NEWSLETTER – SEPTEMBER 2025 EDITION

FALL INSIGHTS, MARKET TRENDS & HOMEOWNER TIPS



ECONOMY & THE FED: WHAT FALLING RATES COULD MEAN (AND WHAT TO DO NOW)

As this newsletter sends, the Federal Reserve's September 17th meeting is underway – a pivotal moment that could set the tone for mortgage rates and buyer demand heading into the fall market.

The stakes are high. This is not just another routine announcement – rate policy is increasingly under scrutiny as inflation trends, labor data, and political pressure collide. The July FOMC decision to hold rates steady wasn't unanimous: for the first time since 1993, two Fed governors – Michelle Bowman and Christopher Waller – dissented and voted against holding the line, instead calling for a 25 basis-point cut. Their warning? A weakening job market and growing signs that the higher cost of capital could choke off economic momentum.

That warning proved timely. The September 5th jobs report showed the U.S. economy added just 22,000 jobs in August, while unemployment rose to 4.3%, the highest in nearly four years. Those soft numbers increase the likelihood the Fed will deliver a cut on the 17th – with some analysts even floating the possibility of a larger-than-usual move.

A MESSAGE FROM DAVID

Welcome to my real estate newsletter! I'm excited to bring you fresh market insights and updates as we head into fall 2025.

Whether you're buying, selling, or just looking to stay informed, I'm here to help.

Thanks for reading, and enjoy!



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This brings us to a defining threshold: 6.5% mortgage rates. Research shows that when rates dip below this level, millions of additional buyers become eligible to purchase a median-priced home. Affordability improves, qualifying income falls closer to median household levels, and demand can snap back like a coiled spring.

NAR's Chief Economist, Dr. Lawrence Yun, put it bluntly:

“The weakening job market assures several rounds of short-term interest rate cuts by the Fed in the upcoming months. The long-term interest rates, including mortgage rates, are already falling to near 12-month lows. That will enlarge the pool of eligible homebuyers... That is why the prospect of lower mortgage rates will help boost home sales.”

Seller & Buyer Strategies: Get Ahead of the Curve

- **For Sellers:** If you've considered selling, capture exterior photos before fall ends. Bank those curb-appeal shots now so you're ready to launch in winter or spring without delay should an opportunity arise.
- **For Buyers:** Winter often means less competition – and opportunities to buy at reduced prices on homes that lingered from summer. Keep your eyes peeled now and through the holidays/cold months.
- **For Both:** Buyer psychology matters. Right now, many buyers hesitate or misjudge pricing, leading to homes receiving full-price offers a week late. Sellers who remain patient and price correctly can benefit; savvy buyers who act quickly can win.
- **For Everyone:** Stay financially ready. Get pre-approved and have your finances in order so you don't lose your dream home to a preventable delay.



Fun Fact: Why 2%?

The Fed's 2% inflation target didn't start in the U.S. – it was first introduced by the Reserve Bank of New Zealand in the late 1980s. Over time, it became the global standard for central banks.

But some economists now argue that 2% is too aggressive for today's economy. With persistent structural inflationary pressures, a 3% target might be more realistic. The Fed likely won't admit it anytime soon, but the debate is gaining traction.

BIG CHANGES IN MA REAL ESTATE

Two reforms are shifting the ground under renters and homeowners alike. One has already gone into effect, the other is just around the corner.

I. Broker Fees: Relief Upfront, Adjustments Ahead

With tenants no longer paying broker fees, moving into a new apartment is immediately less expensive. Renters are saving thousands of dollars right at move-in, cutting down the stack of checks that used to include first month, last month, security deposit, and a broker's commission.

Of course, landlords now take on that cost, and many will look for ways to spread it back into monthly rent. In markets like New York, where this same change took effect earlier, that's exactly what happened: asking rents edged up, but renters still came out ahead because the crushing upfront expense was gone.

For Massachusetts, the likely outcome is similar—easier access to housing, fewer financial hurdles at the start, and a rental market that adjusts gradually rather than all at once.

2. October 15: Inspections Are Back on the Table

The bigger change coming this fall affects home sales. Starting October 15, 2025, sellers and agents will no longer be allowed to require—or even encourage—buyers to waive a home inspection. Every buyer will have a guaranteed right to inspect the property before moving forward.

This is a landmark move. Massachusetts will be the first state in the country to ban inspection waivers outright. That means:

- Buyers will always have the chance to uncover hidden issues and can renegotiate—or walk away—if the inspection reveals problems.
- Sellers should prepare for inspections on every transaction. That may mean handling obvious repairs in advance or being ready to negotiate credits after an inspection.
- Closings could take a little longer, but deals will be less likely to collapse after the fact due to surprise issues.

For years, in competitive bidding wars, buyers felt forced to waive inspections just to be taken seriously. This law resets the balance, protecting consumers and encouraging healthier transactions.



- **New Hampshire:** Still competitive, especially in the Manchester–Nashua corridor, but activity has moderated from the 2021–22 frenzy. Lower property taxes compared to Massachusetts and no state income tax keep NH high on the relocation list.
- **Rhode Island:** Coastal towns like Newport and Narragansett remain popular with downsizers and retirees. Price growth has slowed from pandemic highs, but demand for near-water properties is steady.
- **Maine:** A growing choice for Bay Staters seeking more space or a second home. Portland and southern Maine communities have seen strong appreciation, though the pace has cooled. The state's coastal lifestyle and relative affordability compared to MA keep interest high.



Massachusetts Housing Market – 2025 snapshot

The market is stabilizing: appreciation has cooled from the rapid pace of 2020–22 but remains positive. The statewide median reached \$687,500 in June, and Greater Boston crossed the \$1 million mark for the first time. Across the state, different markets are standing out in their own ways: Springfield has repeatedly ranked among the hottest metros nationally for its affordability, Worcester continues to attract buyers priced out of Boston with commuter access and value, and Beverly was named Realtor.com's #1 hottest ZIP in the U.S. for 2025. Multifamily properties are also in demand as the rental market stays tight. Inventory and new listings are up year over year, easing the fiercest bidding wars—though supply is still tight by historical standards. Looking ahead, experts expect mortgage rates to ease slightly and home values to keep climbing into 2026.

While New England values remain strong, many of the warmer climate areas where Bay Staters relocate are showing signs of cooling:

- **North Carolina:** Raleigh, once a pandemic darling, is now experiencing year-over-year price declines as inventory rises. Charlotte is steadier, but appreciation has cooled from the 2021–22 boom.
- **South Carolina:** Myrtle Beach and Charleston are still popular retirement destinations, but homes are taking longer to sell and prices are flattening.
- **Florida:** Major metros that saw runaway growth are now pulling back. Tampa (–6.2% YoY), Miami (–4.7% YoY), and Cape Coral–Fort Myers are correcting as listings surge. Still, Florida remains the top retirement state thanks to no income tax and sunshine.

VOLUNTEERING WITH NEW LIFE FOR PAWS



We're all about putting people in homes — and dogs, too!

I'm proud to be partnering with New Life for Paws, a Massachusetts nonprofit serving Aruba that rescues stray dogs from the island. Their mission is to get dogs off the streets, provide care, and connect them with loving homes. My role is to help bridge the gap — finding fosters here in New England who can care for these pups during their transition.

The dogs they rescue are known as Cunucus — a hardy island pariah dog, known locally for centuries. Though not recognized as an official breed, cunucus are part of Aruba's history, said to have hunted alongside the indigenous Arawak people. They're athletic, energetic, and intelligent, yet also tolerant, loyal, and eager to please — whether adopted as puppies or adults straight from the streets.

DOGS HELPED THIS MONTH



AUGUST

Every month, dogs like Merri (our Cunucu) are rescued from Aruba, but they can't make it here without support. If you'd like to get involved, here's how:

- Be a Flight Volunteer: Escort a pup on your flight home from Aruba (all logistics handled).
- Help with Transport: Drive dogs from airports to foster homes across New England.
- Foster a Dog: Provide a safe home until adoption day.
- Donate Supplies or Funds: Food, bedding, and vet care are always needed.
- Better yet, adopt one!



Your Free Home Evaluation



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- Custom, high-end finishes throughout — crafted by a Master Contractor
- Chef-quality appliances paired with the latest smart technology
- 2-car garage and separate, large workshop
- Several sheds for storage



**I'm never too busy
for your referrals!**

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